Amendments to the Claims:

1. (Previously Amended): A mobile terminal, comprising:

a processor;

a memory;

transceiver circuitry;

an internal bus coupled to the memory, to the transceiver circuitry and to the processor;

wherein the memory includes computer instructions that define operational logic of the mobile terminal to:

receive an SMS message in one of a legacy format or an IP data packet format;

forward the SMS message to one of a legacy SMS message processing block or an IP protocol SMS message processing block; and

logic to enable the mobile terminal to remove IP packet header information of a plurality of data packets and to construct an SMS message.

2. (Original): The mobile terminal of claim 1 further including computer instructions that define operational logic to enable the mobile terminal to process the constructed SMS message.

3. (Original): The mobile terminal of claim 1 further including an audio processing circuit for generating audio to be played over a speaker, which audio signals were received as a digital signal by the mobile terminal.

4. (Original): The mobile terminal of claim 1 further including a speaker coupled to receive an analog signal from the audio processing circuit wherein the speaker creates audio for human perception.

5. (Original): The mobile terminal of claim 1 further including a microphone for converting sound into electrical signals, which electrical signals are transmitted to the audio processor.

6. (Previously Amended): A mobile terminal, comprising:

transceiver circuitry for receiving communication signals over a wireless communication link;

circuitry for receiving an SMS message in one of a legacy format or an IP data packet format;

forwarding the SMS message to one of a legacy SMS message processing block or an IP protocol SMS message processing block; and

SMS message processing circuitry for reconstructing and processing SMS messages transmitted in a data packet format, the processing circuitry being coupled to receive data packets from the transceiver circuitry.

7. (Previously Amended): The mobile terminal of claim 6 wherein the legacy SMS message processing block wherein the mobile terminal is coupled to receive SMS messages in both IP data packet and in legacy SMS message formats within a tunneling protocol.

8. (Original): The mobile terminal of claim 6 further comprising audio processing circuitry coupled to receive communication signals from the transceiver circuitry.

9. (Original): The mobile terminal of claim 8 further comprising a speaker coupled to the audio processing circuitry for producing sound.

10. (Original): The mobile terminal of claim 8 further comprising a microphone for receiving sound waves and for converting the received sound waves into electrical signals that are to produced to the audio processor for processing.

11. (Previously Amended): A method in a GPRS capable mobile terminal for receiving an SMS message, comprising:

> receiving a plurality of IP data packets representing an SMS message;
>
> determining that the plurality of data packets represent the SMS message;
>
> removing IP packet header information;
>
> reforming an SMS message with SMS packet headers; and
>
> processing the SMS message by SMS processing circuitry within the mobile terminal.

12. (Original): The method of claim 11 further including the step of receiving an SMS message in a legacy format and then processing the SMS message by the SMS processing circuitry within the mobile terminal.

13. (Original): The method of claim 11 further including the step of transmitting an SMS message from the mobile terminal to a base station in a data packet format.

14. (Previously Amended): The method of claim 13 further including the step of converting an outgoing SMS message into a plurality of data packets.

15. The method of claim 14 further including the step of inserting an IP address of a message center within a header of each of the data packets.